

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF  
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN  
OF THE CITY OF MIAMI BEACH  
September 14, 2010

Vice-Chairman Gomez called the meeting to order at 10:05 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	

Members absent - Patricia Walker

Also present were:

Alison Beiler	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Steven Palmquist	Fund Actuary, GRS

A motion was made by Ms. Fernandez duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the Consent Agenda be approved as presented.

CONSENT AGENDA

C-1 The Minutes of the August 10<sup>th</sup> & 24<sup>th</sup>, 2010 Board Meeting were approved as presented.

C-2 New Members were approved as follows -

NEW MEMBERS

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Janette Arencibia Fernandez	19647	Capital Proj. Coordin.	UNCL	08/16/2010
Jennifer Rodriguez	19652	Visual Comm. Spec	UNCL	08/09/2010

C-3 New Retiree Allowances were approved as follows - (None)

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Ruby Arrese	09/01/2010	Ordinary 50%	Jose Arrese	\$801.96

# PENSION BOARD MINUTES

September 14, 2010

Page 2

## C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Monique Estinvil	09/06/2010	\$2,572.64	Resignation
Gene Francis	08/11/2010	\$14,114.01	Resignation
Wendell Roberson	08/06/2010	\$56,845.31	Resignation

## C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

## C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR</u> <u>PURCHASED</u>	<u>HOURS</u> <u>USED</u>	<u>CASH</u> <u>USED</u>	<u>LEAVE</u> <u>AMOUNT</u>
Emmanuel Pierre	8/12/2010	0.47	94.45	\$ -	\$ 1,743.02
Jorge Chavez	8/5/2010	0.51	90.93	\$ -	\$ 1,346.10
Shomeka Farnell	8/6/2010	0.50	89.65	\$ -	\$ 1,499.61
Carlos Munoz	8/19/2010	0.72	145.18	\$ -	\$ 3,354.25

## C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

SWORN

<u>NAME</u>	<u>STATEMENT</u> <u>SIGNED &amp;</u> <u>NOTARIZED</u>	<u>PRIVATE</u> <u>SECTOR</u>	<u>PRIOR</u> <u>GOV'T</u>	<u>PRIOR</u> <u>MILITARY</u>	<u>CMB</u> <u>Application</u> <u>Resume or</u> <u>Add'nl back up</u>	<u>CREDITABLE</u> <u>SERVICE</u> <u>PURCHASED</u>
Eugene Newton	<u>X</u>			<u>X</u>	<u>X</u>	<u>2.0</u>
Arnita Hall	<u>X</u>	<u>X</u>			<u>X</u>	<u>2.0</u>
Raul Jorge	<u>X</u>	<u>X</u>			<u>X</u>	<u>2.0</u>
Candida Hernandez	<u>X</u>		<u>X</u>		<u>X</u>	<u>2.0</u>
Pawel Put	<u>X</u>	<u>X</u>			<u>X</u>	<u>2.0</u>
James A Martell	<u>X</u>	<u>X</u>			<u>X</u>	<u>2.0</u>

## C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective</u> <u>Retirement</u>	<u>Monthly Benefit</u> <u>Calculation</u>	<u>Last DROP</u> <u>Deposit</u>
Edward Graham	9/1/2010	\$2,211.70	8/1/2013

## C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>Name</u>	<u>Date of</u> <u>Check</u>	<u>Voucher</u>	<u>Check</u> <u>Amount</u>	<u>IRS Tax</u> <u>Payment</u>	<u>Tax</u> <u>Payment</u> <u>Date</u>
FBO S. Tumbleson - IRA	8/31/2010	112112	\$14,759.06	N/A	N/A
Olivia Almagro-Johnson	8/12/2010	112066	\$20,462.55	\$5,115.64	8/13/2010
Mario Gonzalez-Pola	8/16/2010	112089	\$39,346.68	N/A	N/A
Viviana Alemany	8/16/2010	112088	\$70,542.74	\$18,914.87	8/17/2010

PENSION BOARD MINUTES

September 14, 2010

Page 3

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

Steve Cypen- Legal Services

Legal services rendered for the month of September 2010 \$ 4,500.00

Holland & Knight- Legal Services

Services rendered for Pension Compliance Review \$ 75.00

Joan Wall- Bookkeeping

services rendered for the month of September 2010 \$ 350.00

Wentworth, Hauser, Violich- Investment Mgmnet. Fees

Quarterly Fees ending 6/30/10 \$ 63,930.00

ICC Capital Management- Investment Management Fees

Per inv #'s 57530361, 57530490, 57530553 \$ 126,996.42

Fiduciary Trust International- Custodian Fees

Custody Fee Qtr. 6/30/10 Inv.# S14800071680 \$ 5,854.16

Wellington Management - Investment Fees

Qtr. Ending 6/30/10 Inv.# 332528, \$ 43,647.82

Citizens Property Insurance- Wind Policy

Renew Policy # 1480880 \$ 212.00

SBS Miami Lakes- Copier

Monthly rental fees Per Inv.# 158393025 \$ 228.56

Office Depot- Supplies

Per invoice # 52662818001, 530191729001, 530191679001 \$ 252.62

CMB Information Tech.- Computer & Phone

Per invoice # 00018567, 00018840 \$ 6,658.68

CMB Central Service- Printing & Postage

Per invoice # 00018837 \$ 3,470.35

Travelers - Worker's Comp Ins.

Audit Premium for the period of 6/25/09-6/25/10 \$ 338.00

Echo Chandler- misc. exp

New microwave for Pension office kitchen \$ 117.69

C-13 Requests for Payment (Conferences)

PGA National Resort & Spa- Conf. & Edu.

Hotel accommodations for Sept. FPPTA Trustees School \$ 3,549.00

FPPTA- Conf. & Edu.

Registration fees for Sept. Trustees School \$ 3,200.00

REGULAR AGENDA

R-1 Deferred Items -

- A. IRS Code Sec. 415 by Gabriel Roeder Smith, Inc. - Mr. Palmquist said that, as advised by Steve Cypen, he had discussed his email to the Administrator dated June 7, 2010 with Board Tax attorney Robert Friedman. He said that Mr. Friedman had approved of Gabriel Roeder Smith's (GRS) method for reversing the excess benefits that have been paid. A discussion ensued.

A motion was made by Ms. Fernandez duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the recommendations delineated in GRS' Memo dated June 7, 2010 regarding 415 Limits be approved as presented.

Mr. Palmquist said that based on the implementation of the recommendations for reversing the excess benefits that have been paid by the Fund, the Retirement's assets would increase by \$1,127,000 and in turn reduce the City contribution by about \$285,000 per year for five years. Mr. Palmquist said that he would be revising the 10/1/2009 Actuarial Valuation to reflect this credit. Mr. Palmquist said that he would coordinate with the Administrator to implement individual IRS 415L adjustments in January 2011.

R-2 New Items -

- A. Rules for third (3<sup>rd</sup>) party use of Plan Data - A discussion ensued regarding guidelines for 3<sup>rd</sup> parties, such as the City Administration or City Unions, to request actuarial data from the Fund's actuary. Chairman Boyd suggested that the request be dated, have a disclaimer, be limited to raw data and benefit calculations. He said that under no circumstances should actuarial assumptions be negotiated. Chairman Boyd said that a disclaimer was necessary in case 3<sup>rd</sup> parties blamed the Fund or Fund's actuary for any misunderstanding or misuse of the data provided. A discussion ensued.

PENSION BOARD MINUTES

September 14, 2010

Page 5

The Board concurred that guidelines should be in place for 3<sup>rd</sup> parties to follow. It was decided that all requests for a study be received by the Administrator and then forwarded to the Board's actuary.

A motion was made by Mr. Sinkes duly seconded by Mr. Green, and unanimously

RESOLVED That guidelines be established for 3<sup>rd</sup> parties to follow including a written dated request to the Administrator, with a disclaimer protecting the Fund, limited to raw data and that additional information be provided upon subsequent board approval.

B. Fiscal Year 2010-2011 MBERP Budget - The Administrator requested that this item be deferred until the October meeting date.

C. Proposal to change Arrears retirement payroll check date - The Administrator explained that there are currently 26 retirees collecting retirement checks on the last day of each month. He said that he would like to change their payment date to the first of each month to coincide with the remaining 900+ retirees. He said that administratively, this action would streamline the monthly retiree payroll process. The Administrator produced Pension Ordinance 815, dated 1945, that detailed the payment date as the last day of each month.

The Administrator was instructed to provide Mr. Cypen the pertinent section of the current and prior pension ordinances to make sure no legal issues prevent the change in check date for the arrears retiree payroll.

A motion was made by Mr. Gomez duly seconded by Ms. Fernandez, and unanimously

RESOLVED That the Administrator be authorized to change the check date for the arrears payroll from the last day of the month to the first day of the month pending approval by legal counsel.

PENSION BOARD MINUTES

September 14, 2010

Page 6

D. Experience Study, Retirement Assumptions - Mr. Palmquist provided the Board his findings on the review of the retirement assumption. He said that approximately \$100,000 could be saved by changing the retirement assumption to be in line with the actual experience of the Fund. A discussion ensued. No action was taken at this time.

E. Transfers to the Miami Beach Police & Fire pension plan - Mr. Palmquist reviewed the letter from GRS dated September 3, 2010 that outlined the calculation for the transfer of employees Uwezo Ross, Daniel Nieves and Kendrick Brailsford to the Miami Beach Police & Fire pension plan. He said that taking the actuarial accrued liability and the funded ratio into consideration the transfer amount is \$436,525.

A motion was made by Mr. Green duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the transfer amount of \$436,525 be approved for payment to the Miami Beach Police & Fire pension plan for the transfer of employees Uwezo Ross, Daniel Nieves and Kendrick Brailsford.

F. Letter from Aristotle Ares, retired member, for inclusion in Retiree Newsletter - The Board looked over the letter dated June 25, 2010 from Aristotle Ares. The Board decided that the letter was editorial in nature and suggested that the Administrator let Mr. Ares know that he could contact the City Commission if he wished.

R-3 Other Business

A. Administrator's Report - The Administrator reported that external auditors from Goldstein, Schechter Koch had been on site beginning the fiscal year 2009-2010 external audit.

Mr. Steven Krowitz, a retired member, addressed the Board with a concern he had regarding the investment risk of the pension fund. He provided the Board a possible solution to lower the risk of the investments while achieving a 10% rate of return. Chairman Boyd said the investment information would be forwarded to the Fund's investment consultant, Milliman Inc.

PENSION BOARD MINUTES

September 14, 2010

Page 7

Ms. Fernandez asked the Administrator if Rhumblin Advisers had divested of the Sudan/Iran investments before the deadline. The Administrator said that Rhumblin had sold the stocks and that he would provide detailed trade information on the next agenda.

The Administrator updated the Board on Trustee elections. He said that no one had run against Trustee Warren Green. He said that Mr. Green had been declared the winner by acclamation. He said that Trustee Ray Horday was running against nominee Jorge Montes for the retiree position and that an election would be held at month end.

R-4 For Your Information

Chairman Boyd and Ms. Beiler reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Mr. Green and unanimously

RESOLVED                      That the meeting be adjourned. The meeting was adjourned at 12:12 p.m.

---

James Boyd, Chairman

---

Hilda Fernandez, Secretary